

**Statement of Rep. Henry A. Waxman**  
**H.R. 3045, The U.S.-Dominican Republic-Central America Free Trade Agreement**  
**July 27, 2005**

Mr. Speaker. It is with great disappointment that I rise in opposition to CAFTA. I support free trade. Trade agreements are an important tool to strengthen ties with strategic partners, expand opportunities for American industry, and improve the standard of living. Unfortunately, I believe that this agreement will do more harm than good.

Among my chief concerns, the agreement perpetuates weak and unenforced labor and environmental standards. The failure to raise these standards will hurt Central Americans and create unfair competition for American workers.

CAFTA would also allow foreign companies to bypass the U.S. court system and challenge federal, state and local laws and regulations through a veiled and unaccountable trade tribunal.

But, today I would like to focus my remarks on a major issue that unfortunately has gotten relatively little attention in this debate, which is that CAFTA will seriously impede access to essential medicine in poor developing countries.

In June, the minority staff on the Government Reform Committee released a report entitled "Trade Agreements and Access to Medications Under the Bush Administration." The complete report is available at [www.democrats.reform.house.gov](http://www.democrats.reform.house.gov) and I would ask unanimous consent that the Executive Summary be printed in the Congressional Record.

The alarming conclusion the report reached is that under CAFTA, patients in poor countries will often have to wait longer than those in the United States to gain access to generic drugs.

Specifically, CAFTA would block governments from approving the sale of generic drugs for at least five years after a new drug is introduced, even if the drug's patent has already expired. The agreement would also inhibit generic competition with patent extensions and other measures that will make it harder for drug regulators to approve generic drugs.

The impact will be devastating in the developing world where large poor and uninsured populations cannot afford brand name drugs. For many patients suffering from diseases like AIDS, tuberculosis, heart disease and cancer, waiting five years to afford new cures will mean the difference between life and death.

In reality, the pharmaceutical companies actually stand to gain little from these protections in a region of the world that barely represents one half of one percent of the global drug market. But the companies view this trade agreement as a cookie cutter model for USTR to negotiate with all countries regardless of the consequences.

The Bush Administration has boldly advanced the pharmaceutical agenda, claiming that the provisions are merely an extension of a U.S. law known as Hatch-Waxman. As an author of that legislation, I could not disagree more.

Hatch-Waxman was a carefully crafted measure that reflects both the need to promote innovation and the need to facilitate generic competition. In contrast, CAFTA does not establish a proper balance between the interests of the drug companies and consumers, between intellectual property rights and the human rights of patients.

It is reckless and dangerous to force our partners in the developing world to trade away their timely access to inexpensive, lifesaving medications.

It is irresponsible for the United States to undermine its commitment to the 2001 Doha Declaration, which expressly called for trade rules to respect public health needs.

It is wrong for CAFTA to advance the financial interests of large multinational drug companies at the expense of the developing world's ability to address public health problems.

If we defeat CAFTA today, we can put pressure on the Bush Administration to change course. Then we can vote on an agreement that is both ethically and economically sound.